

The Future of Microfinance

Edited by Ira W. Lieberman, Paul DiLeo, Todd A. Watkins, and Anna Kanze

A major source of financing for the poor and no longer a niche industry

Over the past four decades, microfinance—the provision of loans, savings, and insurance to small businesses and entrepreneurs shut out of traditional capital markets—has grown from a niche service in Bangladesh and a few other countries to a significant global source of financing. Some 200 million people globally now receive support from microfinance institutions, with most of the recipients in the developing world. In the beginning, much of the microfinance industry was managed by non-governmental organizations, but today the majority of these institutions are commercial and regulated by governments, and they provide safe places for the poor to save, as well as offering much-needed capital and other financial services.

Now out of infancy, the microfinance industry faces major challenges, including its ability to deal with mobile banking and other technology and concerns that some markets are now over-saturated with microfinance. How the industry deals with these and other challenges will determine whether it will continue to grow or will be subsumed within the larger global financial sector.

This book is based on the results of a workshop at Lehigh University among thirty-four leaders in the industry. The editors, working with contributions from more than a dozen leading authorities in the field, tell the important story of how microfinance developed, how it has met the needs of hundreds of millions of people, and they address key questions about how it can continue to meet those needs in the future.

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Contents

Introduction, by Paul Di Leo and Jose Ruisanchez

I. Background

- 1 The Evolution and Commercialization of Microfinance: How We Got Here • *Ira W. Lieberman*

II. Where We Are Now—What Is Needed in the Future

- 2 The Changing Face of Microfinance and the Role of Funders: Financing the Future • *Paul Di Leo and Anna Kanze*

Vision Statement

Fifteen Years of Financing MFIs: From Microcredit to SDG Intergration • *Roland Dominice*

- 3 The Future of Microcredit Depends on Social Investors • *Timothy N. Ogden*
- 4 Microfinance Industry Concentration and the Role of Large Scale and Profitable MFIs • *Todd A. Watkins*
- 5 The Future of Microfinance as Knowledge Management: The Experience of the BBVA Microfinance Foundation • *Claudio Gonzalez Vega*
- 6 Refocusing on Customer Value: Meaningful Inclusion through Positive Partnerships • *Gerhard Koch Coetzee*
- 7 Understanding the Impact of Microcredit • *Timothy N. Ogden*

III. The Challenge of Technology and New Product Innovation and Development

- 8 Digital Finance Lessons Learned for the Future of Microfinance • *Momina Aijazuddin and Matthew Brown*

Vision Statement

Microfinance and Digital Finance • *Greta Bull*

- 9 Governance in the Digital Age: Responsible Finance for Digital Inclusion • *Lory Camba Opem*
- 10 Product Diversification: Consumer Loans, Education, and Housing as Examples • *Alex Silva*
- 11 Micro Insurance: Its Future • *Craig Churchill and Aparna Dalal*

IV. A Geographical Perspective

- 12 Asia and the Pacific: Tremendous Progress, but Hundreds of Millions Yet to Serve • *Jennifer Isern*
 - 13 Financial Inclusion in India—A Himalayan Feat • *Jennifer Isern*
 - 14 Microfinance in China • *Enjiang Chen*
 - 15 What Is the Future of Microfinance in Africa: Differentiating East and West • *Renee Chao Beroff and Kimanthi Mutua*
- Vision Statement*
- The Future of Microfinance in Africa** • *Renee Chao Beroff*
- 16 Latin America: Large Commercialized Microfinance Institutions Operating as Banks, Banks Downstreaming into Microfinance, Where Do We Go From Here? • *Jose Ruisanchez*

Appendix. Understanding the Data

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